

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 8

January 13, 2021

SUMMARY OF BILL: Reduces, from a minimum of 30 years to a minimum of 25 years, the amount of full-time creditable service provided by a retired Tennessee teacher for their dependent child under the age of 24 to be eligible to receive a 25 percent discount on tuition at any state institution of higher education.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue- \$22,900/FY21-22/Locally Governed Institutions
\$2,500/FY21-22/TN Board of Regents
\$4,300/FY21-22/University of Tennessee**

**Exceeds \$23,400/FY22-23 and Subsequent Years/
Locally Governed Institutions**

**Exceeds \$2,600/FY22-23 and Subsequent Years/
TN Board of Regents**

**Exceeds \$4,400/FY22-23 and Subsequent Years/
University of Tennessee**

Assumptions:

- Based on information from the Tennessee Consolidated Retirement System, and FY18-19 data from the state's higher education tuition discount program, an estimated 24 additional students will receive an average tuition waiver of \$954 from locally governed institutions (LGIs) in FY21-22; an estimated 5 additional students will receive an average tuition waiver of \$506 from the Tennessee Board of Regents' schools (TBR) in FY21-22; and an estimated 5 additional students will receive an average tuition waiver of \$861 from the University of Tennessee (UT) in FY21-22.
- The decrease in state revenue to the LGIs is estimated to be \$22,896 (24 students x \$954) in FY21-22.
- The decrease in state revenue to the TBR is estimated to be \$2,530 (5 students x \$506) in FY21-22.
- The decrease in state revenue to the UT system is estimated to be \$4,305 (5 students x \$861) in FY21-22.

- Assuming a minimum increase in tuition of two percent per year, the decrease in state revenue to the LGI's is estimated to exceed \$23,354 ($\$22,896 \times 102.0\%$) in FY22-23 and subsequent years.
- Assuming a minimum increase in tuition of two percent per year, the decrease in state revenue to the TBR is estimated to exceed \$2,581 ($\$2,530 \times 102.0\%$) in FY22-23 and subsequent years.
- Assuming a minimum increase in tuition of two percent per year, the decrease in state revenue to the UT system is estimated to exceed \$4,391 ($\$4,305 \times 102.0\%$) in FY22-23 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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